The Aluminum Situation

ECONOMICS AND STATISTICS — MAY 1990

INDUSTRY SHIPMENTS DROP 4.9 PERCENT FROM 1989

Industry net shipments for the first three months of 1990, totaling 3,876 million pounds, decreased 4.9 percent from 1989 shipments of 4,076 million pounds.

Domestic shipments for three months of 1990, totaling 3,178 million pounds, were down 10.6 percent from the previous year total of 3,555 million pounds.

U.S. exports of aluminum ingot and mill products continue to be strong totaling 698 million pounds during the first three months, increased 33.9 percent from the 1989 total of 521 million pounds.

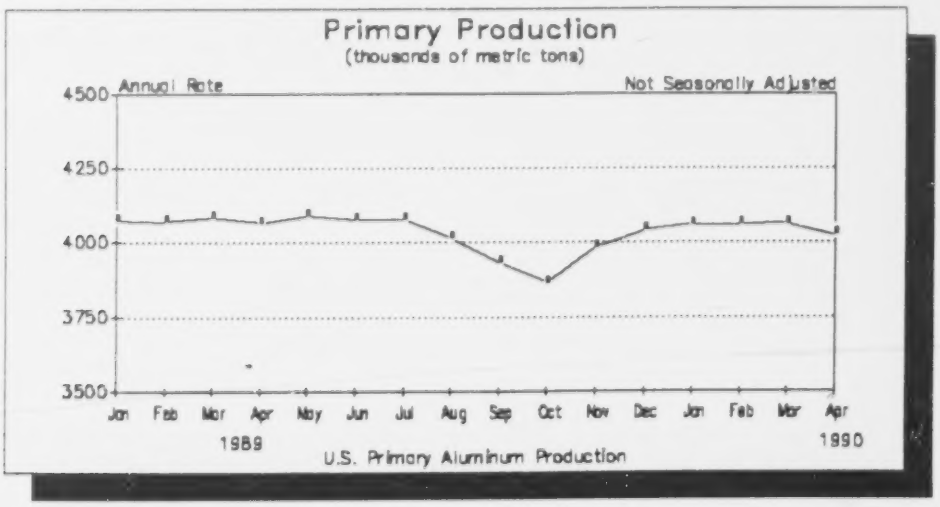
THRU MARCH 1990

	1990 3 Mos.	1989 3 Mos.	% Change
Mill Products	3,156	3,336	-5.4
Ingot	720	740	-2.7
Total	3,876	4,076	-4.9
Less Exports	698	521	33.9
Domestic Total	3,178	3,555	-10.6

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE ESTIMATED AT 11,028 METRIC TONS

U.S. primary aluminum production averaged an estimated 11,028 metric tons daily during April 1990. This compares with an average of 11,138 metric tons a day in April 1989 and 11,130 metric tons a day in March 1990. The annual rate of production in April 1990 was 4,025,135 metric tons compared with 4,065,504 metric tons in April 1989 and 4,062,568 metric tons in March 1990. Estimated production in April 1990 was 330,833 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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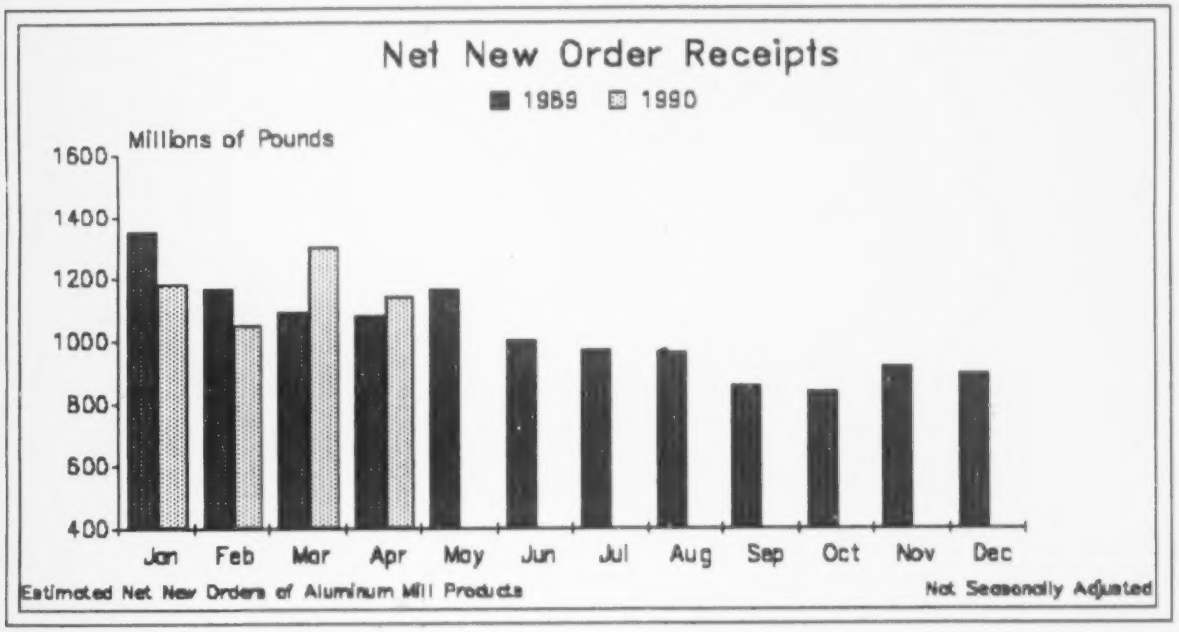
NET NEW ORDER RECEIPTS DOWN 0.4 PERCENT

Estimated net new order receipts of aluminum mill products for the first four months of 1990, totaling 4,677 million pounds, declined 0.4 percent from the four month 1989 total of 4,698 million pounds. Net new order receipts for April 1990 totaled 1,142 million pounds, down 12.3 percent from March 1990.

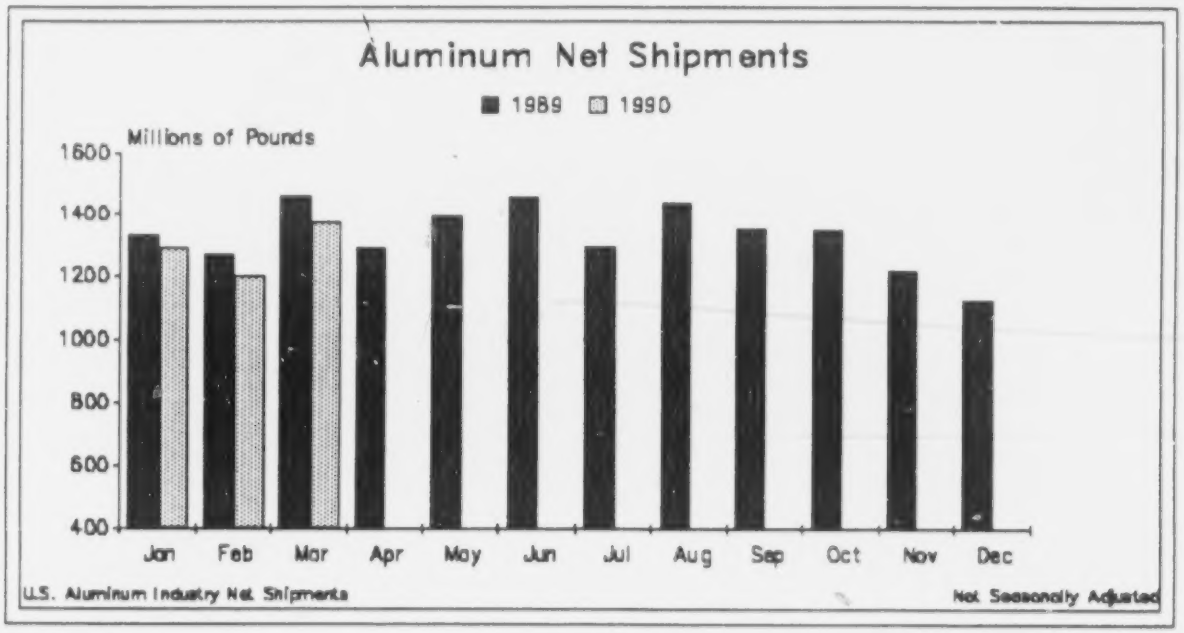


ORDER RECEIPTS (Millions of Pounds)	1990 April	1989 April	1990 4 Mos.	1989 4 Mos.	% Change 1990 vs 1989
Sheet & Plate, Other	411.2	342.0	1,572.7	1,671.3	-5.9
Can Stock (a)	333.3	367.8	1,443.2	1,333.7	8.2
Foil	85.6	67.9	377.7	324.8	16.3
Bar, Rod & Wire	45.1	31.3	198.5	146.2	35.8
Electrical Conductor	44.9	47.7	168.6	274.1	-38.5
Extruded Shapes & Tube	201.4	194.3	829.6	852.2	-2.7
Powder & Paste	11.2	14.2	42.8	41.6	2.9
Forgings & Impacts	9.6	16.0	44.2	53.8	-17.8
Total Mill Products	1,142.3	1,081.2	4,677.3	4,697.7	-0.4

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

MARCH INDUSTRY SHIPMENTS REPORTED AT 1,377 MILLION POUNDS

Industry net shipments for March 1990 were reported at 1,377 million pounds, up 14.4 percent from revised February shipments of 1,204 million pounds. Year-to-date, total industry shipments totalled 3,876 million pounds, a decrease of 4.9 percent from a previous year total of 4,076 million pounds. Domestic shipments for three months of 1990, totaling 3,178 million pounds, were down 10.6 percent from the previous year total of 3,555 million pounds. U.S. exports totaled 698 million pounds during the first theee months, increased 33.9 percent from the same period of 1989.



NET SHIPMENTS (Millions of Pounds)	1990 March	1989 March	1990 3 Mos.	1989 3 Mos.	% Change 1990 vs 1989
Sheet	621.4	724.1	1,747.3	1,873.7	-6.7
Plate	24.0	28.6	65.4	81.1	-19.4
Foil	85.9	79.1	234.8	230.3	1.9
Rod,Bar & Wire	32.6	26.8	85.2	81.2	4.8
Elec. Conductor	55.9	61.0	147.4	172.5	-14.5
Extruded Shapes,Tube	232.6	241.2	651.4	673.9	-3.3
Powder & Paste	8.6	9.2	21.7	22.8	-4.6
Forgings & Impacts	13.6	13.7	38.7	40.9	-5.4
Net Imports of Mill Products (Total) (a)	53.2	47.3	163.8	159.6	2.6
Total Mill Products	1,127.9	1,231.1	3,155.7	3,336.0	-5.4
Ingot	249.2	234.6	720.5	740.5	-2.7
TOTAL INDUSTRY SHIPMENTS	1,377.0	1,465.7	3,876.2	4,076.5	-4.9
Exports	210.0	190.8	698.4	521.4	33.9
TOTAL DOMESTIC SHIPMENTS	1,167.1	1,274.9	3,177.8	3,555.1	-10.6

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

PRODUCER INVENTORIES DOWN 108 MILLION POUNDS

Producer inventories decreased in March 1990 to a reported total of 3,927 million pounds. This represents a 108 million pound decrease from the revised February level of 4,035 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
January	4,019r	1,368r	665r	1,986r
February	4,035r	1,429r	688r	1,918r
March	3,927	1,386	535	2,007

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 33.3 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of March 31, 1990 was 33.3, up 0.9 percent from inventories reported at the end of February.

Month-End Aluminum Customer Inventories
(Average Number of Days)

January	33.7
February	33.0
March	33.3

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1990 March	1989 March	1990* 3 Mos.	1989 3 Mos.	% Change 1990 vs 1989
Imports	Mill Products	91.5	83.4	268.0	243.3	10.1
	Ingot	189.5	184.5	537.5	577.6	-6.9
	Total	281.1	267.9	805.4	820.9	-1.9
	Scrap (+ dross)	36.3	41.7	130.6	118.3	10.5
	Grand Total	317.4	309.6	936.1	939.2	-0.3
Exports	Mill Products	87.9	101.9	257.7	262.7	-1.9
	Ingot	122.1	89.0	440.6	258.7	70.3
	Total	210.0	190.8	698.4	521.4	33.9
	Scrap	103.6	109.6	309.7	335.5	-7.7
	Grand Total	313.6	300.4	1,008.1	856.8	17.6
Net Imports		3.8	9.2	-72.0	82.3	-187.4

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989